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November 13, 2001

Gloria Blue, Executive Secretary
TPSC, Office of the USTR
600 17th Street, NW
Washington, DC 20508

Re: Product Exclusions, Certain Steel Products, USITC Inv. No. TA-201-73

Dear Secretary Blue:

On behalf of Ascometal Co. and in accordance with USTR's request for comment, 66 FR 54321 (October 26, 2001), we submit a request to exclude certain hot-rolled and rough-turned alloy steel bar above 6 inches in diameter from import relief under section 203. We attach the same information contained in this letter in the form of an Exclusion Request Data Sheet as used by the USITC.

(a) Designation under a recognized standard or certification

AISI 4100 and AISI 4300, imported under HTS 7228.50.50.50 and HTS 7228.30.80.50

(b) Description based on physical characteristics

Hot-rolled and rough-turned alloy bars of diameters above six inches used primarily in oil and gas drilling.

(c) Basis for exclusion

Alloy bars of this special diameter should be excluded because of insufficient domestic supply. The sole US domestic producer has insufficient capacity to meet the requirements of the domestic industry.

P-DLS004

(d) Names of domestic and foreign producers

Timken is the only US domestic producer capable of producing bars from ingot in sufficiently large diameter. Timken must allocate some of its production of this product to the domestic automotive industry. Foreign producers are Ascometal and Corus.

(e) Total US consumption 1996-2000 (in short tons) (estimate)

1996	1997	1998	1999	2000
79,000	101,000	119,000	36,300	119,000

(We are unable to provide realistic demand projections because Ascometal's sales of this product are dependent on trends in the oil industry.)

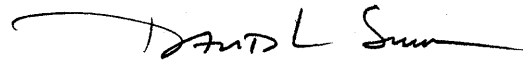
(f) Total US production 1996-2000 (in short tons) (estimate)

1996	1997	1998	1999	2000
40,000	51,000	60,000	18,300	60,000

(g) Identity of US produced substitute products

There are no substitutes for this product. Generally, large diameter (over 6") bar for the energy market must be produced from ingot and must be quenched and tempered (heat-treated). There are subcontractors in the US capable of performing the requisite heat-treatment, but this process is technically limited and generally not permitted by end-user's specifications for reasons of product liability and traceability.

Respectfully submitted,



David L. Simon



UNITED STATES INTERNATIONAL TRADE
COMMISSION



STEEL, Inv. No. TA-201-73
EXCLUSION REQUEST DATA SHEET

If you are interested in requesting that specific products be excluded from this investigation, please supply the following information to the Commission by no later than Wednesday, October 17, 2001. Complete a separate exclusion request form for every product you are requesting an exclusion for. You may fax the completed form to the attention of D.J. Na at 202-205-3205.

Firm: ASCOMETAL	Fax #: 33 1 41 25 96 88						
Contact person: Maxime LAZARD	Email address: mlazard@ascometal.lucchini.com						
Have you submitted an exclusion request in a previous letter? NO							
HTS number(s) covering the product requested for exclusion: HTSUS 7228 50 50 50 in Cold-finished bars – Carbon & Alloy Long products. HTS US 7228 30 80 50 in Hot Rolled bars & light shapes – Carbon & Alloy Long products.							
Detailed description of product requested for exclusion (please do not only refer to the model number): The products for exclusion are Hot rolled and/or Rough-turned Alloy Bars of section above 6" in diameter. Although these HTSUS product numbers concern a wide variety of applications, the larger sections of these bars concern mainly oil and gas drilling (AISI 4100 and 4300 series and related grades and often combined with API stringent specifications) for which the American steel industry is not self sufficient to face demand. Only 1 American steel manufacturer (TIMKEN) has capability of diameter above 6". This manufacturer can only serve part of the American Oil and Gas drilling market as it must fulfil also crucial needs in the Automotive industry and Bearings. Besides, this actor has only limited in-house capabilities of Quench & Tempering for alloyed bars, a highly frequent need for this market. Last but not least, for the broadest sections, an Ingot Route is usually required by the Oil industry, thus limiting the potential supply to 1 steel maker in the USA for the appropriate grades and treatments (TIMKEN). There are some sub-contractors that can heat treat bars, but they are usually extremely costly, with technical limitations and capacity restrictions creating conditions for insufficient supply to the end customer. This is probably why an estimated 50% of the volumes required in this application is imported (mostly from UK/CORUS & France/ASCOMETAL). !!! Volumes hereunder cover Alloy bars CF or HR with diam > 6" , according to our best estimate based on HTS US statistics (there is no official data for imports per diameter). US based manufacturers' domestic deliveries are based on our own estimates.							
Quantity (in short tons) of U.S. imports of product requested for exclusion:							
Source	1996	1997	1998	1999	2000	Jan.-June 2000	Jan.-June 2001
Canada	2 000	2 000	3 000	3 000	3 000	1 500	2 000
Mexico	0	0	0	0	0	0	0
All others	37 000	48 000	56 000	15 000	56 000	29 000	47 000
Total	39 000	50 000	59 000	18 000	59 000	30 500	49 000
Value (landed, duty-paid in U.S. dollars) of U.S. imports of product requested for exclusion:							

Source	1996	1997	1998	1999	2000	Jan.-June 2000	Jan.-June 2001
Canada							
Mexico							
All others							
Total							

Estimated quantity (in short tons) of U.S. producers' U.S. commercial shipments (not including internal consumption or exports) of product requested for exclusion (please indicate basis for estimates):

Source	1996	1997	1998	1999	2000	Jan.-June 2000	Jan.-June 2001
Total	40 000	51 000	60 000	18 300	60 000	31 000	50 000